



**Billing Code 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**(Transmittal Nos. 12-29)**

**36(b)(1) Arms Sales Notification**

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. B. English,  
DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 12-29 with attached transmittal and policy justification, and Sensitivity of Technology.

Dated: July 30, 2012.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



## DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

The Honorable John A. Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

JUL 20 2012

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 12-29, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Kuwait for defense articles and services estimated to cost \$4.2 billion. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, reading "William E. Landay III", is positioned below the word "Sincerely,".

**William E. Landay III**  
**Vice Admiral, USN**  
**Director**

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology
4. Regional Balance (Classified Document Provided Under Separate Cover)



## Transmittal No. 12-29

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Kuwait
- (ii) Total Estimated Value:

Major Defense Equipment*	\$2.0 billion
Other	<u>\$2.2 billion</u>
TOTAL	\$4.2 billion
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 60 PATRIOT Advanced Capability (PAC-3) Missiles, 4 PATRIOT radars, 4 PATRIOT Engagement Control Stations, 20 PATRIOT Launching Stations, 2 Information Coordination Centrals, 10 Electric Power Plants, communication and power equipment, personnel training and training equipment, spare and repair parts, facility design and construction, publications and technical documentation, U.S. Government and contractor technical and logistics personnel services and other related elements of program and logistics support.
- (iv) Military Department: Army (UME, UMF, UMG, UMH)
- (v) Prior Related Cases, if any:
  - FMS case UJO-\$4.7M-31Dec92
  - FMS case UKD-\$16.3M-22Nov99
  - FMS case UKE-\$83.2M-17Nov99
  - FMS case UKF-\$66.4M-30Dec05
  - FMS case UKI-\$1.4M-30Dec05
  - FMS case ULC-\$269.3M-19Mar08
  - FMS case ULP-\$131.7M-15Jun10
  - FMS case ZUM-\$32.1M-15Jun10
  - FMS case ULU-\$150.3M-20Oct10
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: 20 July 2012

\* as defined in Section 47(6) of the Arms Export Control Act.

## POLICY JUSTIFICATION

### Kuwait – PATRIOT Advanced Capability (PAC-3) Missiles

The Government of Kuwait has requested a possible sale of 60 PATRIOT Advanced Capability (PAC-3) Missiles, 4 PATRIOT radars, 4 PATRIOT Engagement Control Stations, 20 PATRIOT Launching Stations, 2 Information Coordination Centrals, 10 Electric Power Plants, communication and power equipment, personnel training and training equipment, spare and repair parts, facility design and construction, publications and technical documentation, U.S. Government and contractor technical and logistics personnel services and other related elements of program and logistics support. The estimated cost is \$4.2 billion.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been, and continues to be, an important force for political stability and economic progress in the Middle East.

Kuwait will use the PAC-3 missiles and equipment to improve its missile defense capability, strengthen its homeland defense, and deter regional threats. The proposed sale of PAC-3 missiles and support will enhance Kuwait's interoperability with the U.S. and its allies, making it a more valuable partner in an increasingly important area of the world. Kuwait, which already has PAC-3 in its inventory, will have no difficulty absorbing these additional missiles and support into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractors will be Raytheon Corporation in Tewksbury, Massachusetts; and Lockheed Martin Missiles and Fire Control in Dallas, Texas. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of three contractor representatives to Kuwait on a temporary basis for program, technical support, and management oversight.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

## Transmittal No. 12-29

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act

Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. The PATRIOT Air Defense System contains Confidential hardware components and critical/sensitive technology. The PATRIOT Advance Capability-3 (PAC-3) Missile Four-Pack is classified Confidential, and the improved PAC-3 launcher hardware is Unclassified. The modification kits requested represent significant technological advances for the existing Kuwaiti PATRIOT system capabilities. With the incorporation of the PAC-3, Configuration-3 (PAC-3/C-3) improvements, the PATRIOT system will continue to hold a significant technology lead over other surface-to-air missile systems in the world.

2. The PAC-3/C-3 sensitive/critical technology is primarily in the area of design and production know-how and primarily inherent in the design, development and/or manufacturing data related to the following components:

	Radar Enhancement Phase III (REP-3) Exciter Assemblies
	Radar Digital Processor
	Modern Adjunct Processor
	REP-3 Traveling Wave Tube
	Classification, Discrimination, and Identification-3 (CDI-3) Digital Signal
Processor	
	CDI-3 Analog/Digital Converters
	Hardware-in-the-Loop and Digital Simulations
	Surface Acoustic Wave Oscillators
	PAC-3 Missile Guidance Processor Unit
	PAC-3 Seeker
	PAC-3 Missile Software
	Selected areas of the PATRIOT Ground Equipment and software

3. Information on vulnerability to electronic countermeasures and counter-counter measures, system performance capabilities and effectiveness, survivability and vulnerability data, PAC-3 missile seeker capabilities, non-cooperative target recognition, low observable technologies, select software/software documentation and test data are classified up to and including Secret.

4. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop

countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

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